

Roc-2 confirms gas and condensate

23 September 2016



Carnarvon Petroleum Limited ("Carnarvon") (ASX:CVN) provides the following update on wireline and testing operations as advised by the operator of the Roc-2 well, Quadrant Energy.

Highlights within the Caley formation at Roc-2

- Condensate rich gas samples extracted from the well at several locations
- 30 metres of net reservoir interpreted from wireline data
- 60 metres of gross gas and condensate charged sands intersected
- Excellent quality (100 to 350 mD) reservoir calculated from downhole sampling rates
- Forward plan to flow test the well

Progress

Since the last report the full suite of wireline logs have been acquired, which have a higher resolution than the previously acquired Logging While Drilling ("LWD") logs, allowing for delineation of net and gross reservoir within the well. Wireline pressure data has also been acquired, allowing for interpretation of potential gas-water contacts.

Current Operations

The rig is in the process of completing the wireline coring operations before running the 7" (178 mm) liner, expected to take around six days, in preparation for flow testing the well.

Forward Plan

Following the installation of the liner, it will take an additional 10 days to prepare the surface equipment and install the necessary tubing and appropriate valves in the wellbore necessary for the well testing. The well will then be perforated across the uppermost 35 metre sand interval and the well opened for a controlled flow test over a period of about a week.

The Company expects to be in a position to report on the well testing results in around three weeks.

Comments

Following the successful wireline operations, Carnarvon can confirm the presence of a high quality reservoir within the Caley section of the Roc-2 well, which is almost fully saturated with gas condensate. Porosities of up to 15% were observed with an average around 9%, which is an excellent result for reservoir at this depth and meets our pre-drill expectations.

Condensate rich gas was sampled from a number of locations, and the rig estimate of liquid content within the gas is similar to that of Roc-1 at around 50-60 bbls of condensate per million standard cubic feet of gas. The rate at which the gas was extracted for sampling was significant, indicating high permeability sands with

permeabilities calculated to be 100 to 350 millidarcy (mD), similar to the results from the core analysis of Roc-1 which had sands of 300 to 500 mD.

The thickness of the sands, the high quality of the net sands, the high gas saturation and the depth of the contact mean the well warrants being flow tested.

Pressure data obtained from the wireline logs did not correlate with the Roc-1 data meaning that Roc-1 and Roc-2 are likely to be separate structures in all or some of the sands, but they are still located within the same greater structural closure.

A stratigraphic image of the formations and casing plan is presented in Figure 1 below and a depiction of the Caley sands is described in Figure 2.

The Roc-2 well is located within the WA-437-P exploration permit in the North West Shelf of Australia. The equity interest holders are:

Carnarvon Petroleum	20%
Quadrant Energy (<i>Operator</i>)	80%

Yours faithfully



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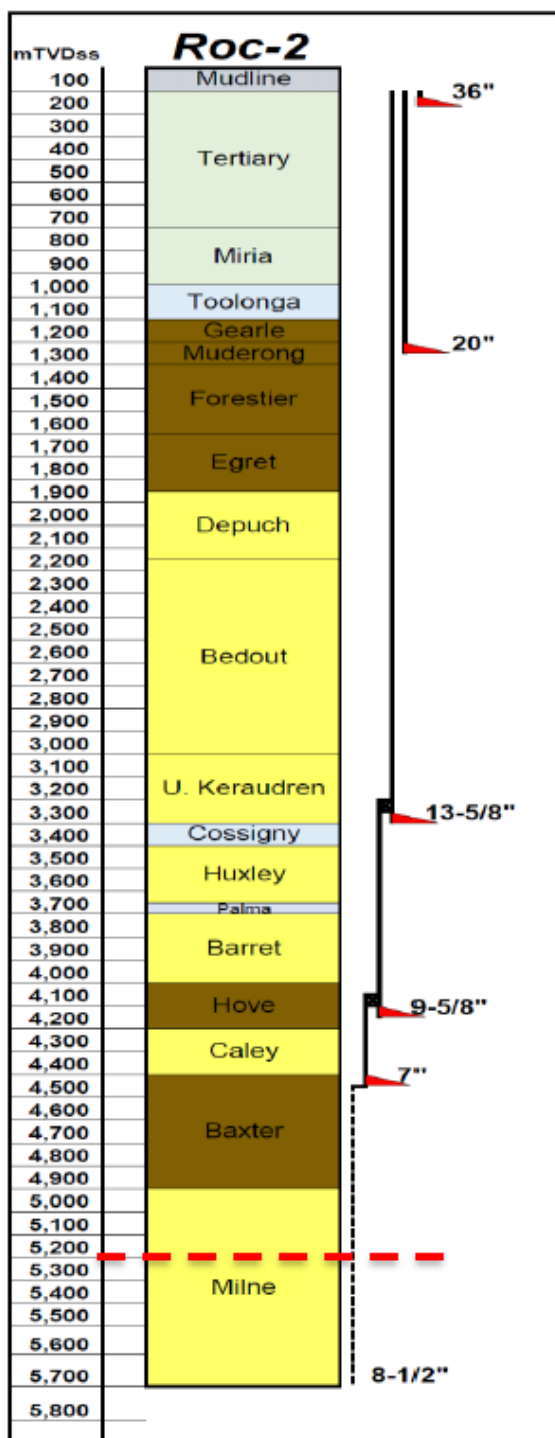


Figure 1: Stratigraphic column expected to be encountered by the Roc-2 well with major formations outlined and anticipated casing plan. Note the 7" casing will be set after the well has completed drilling operations. The well has a planned total depth of around 5,250 metres but has the capacity to be drilled deeper.

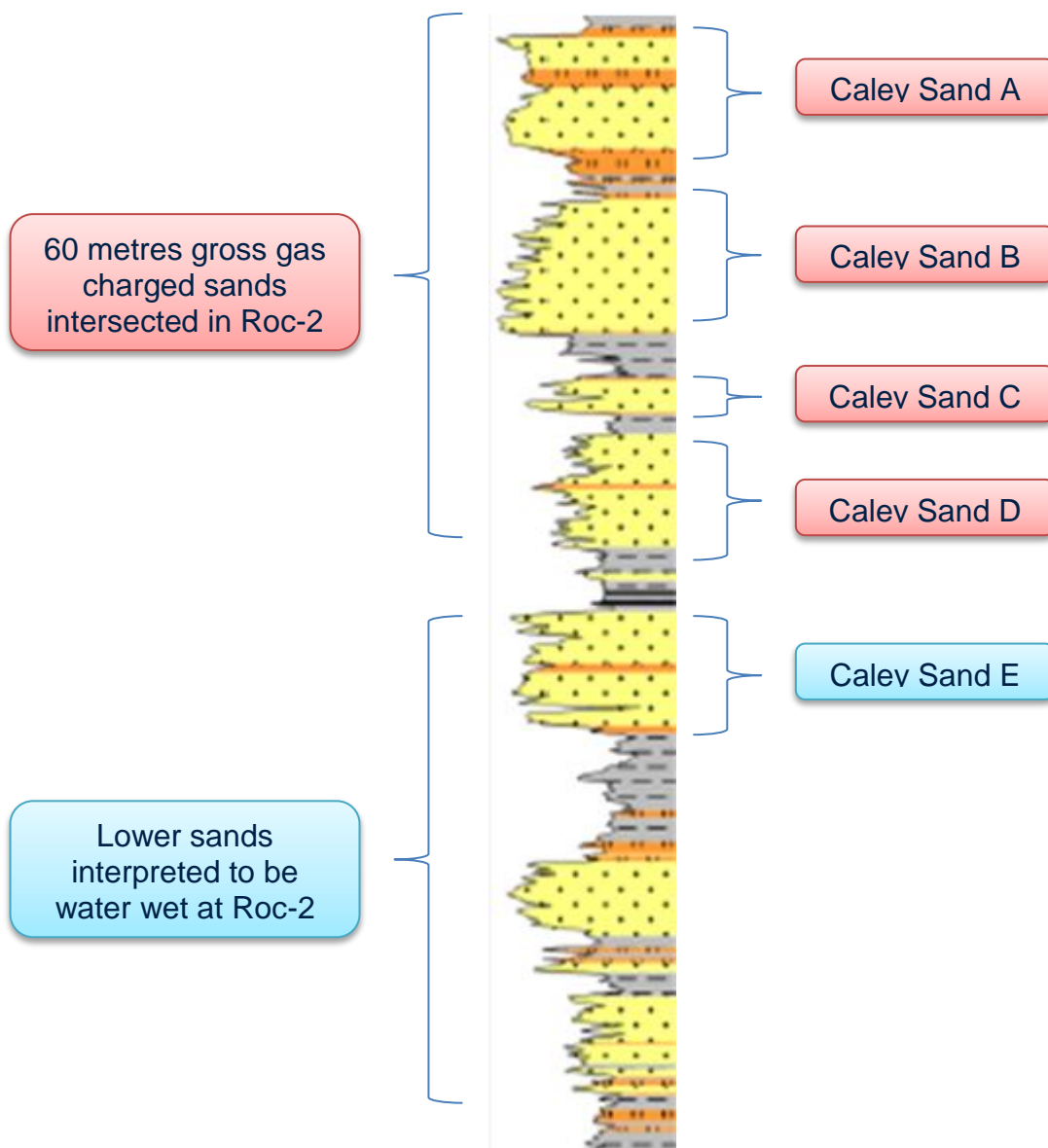


Figure 2: Caley sands encountered in the Roc-2 well